Saskatchewan Agriculture

Economics Branch

Farm Management

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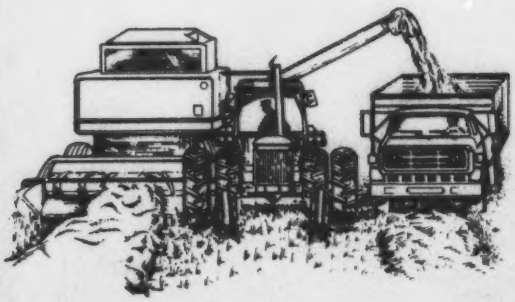

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Part-Time Farming in Saskatchewan

Foreword

Part-time farming has its advantages and disadvantages, as do other occupations. By investigating all the factors, an individual will be better able to make a decision regarding becoming a part-time farmer. Farming part-time can be a rewarding and pleasurable experience providing it doesn't conflict too greatly with family goals and objectives.

Tax laws and interpretations are constantly changing. Readers are cautioned to check with Revenue Canada about specific concerns.

The qualifying criteria and benefits of government programs are changed periodically, and readers should contact specific government departments regarding their programs.

Useful addresses for information sources are listed in the appendix.

This bulletin has been prepared by the Farm Management Section of Saskatchewan Agriculture. The assistance of many resource people and reviewers is gratefully acknowledged.

For further information or additional copies of this bulletin, contact your local Agricultural Representative, Regional Farm Management Specialist, or the Economics Branch, Saskatchewan Agriculture, Room 329, Walter Scott Building, Regina, S4S 0B1.

Farm Management Section,
Economics Branch,
Saskatchewan Agriculture,
June 1986.

89-06023/

Part-Time Farming in Saskatchewan

Page

I. Introduction 1

II. Definition of Part-Time Farmer 2
1. General Definition 2
2. Income Tax Definition and Implications 2

III. Reasons for Part-Time Farming 3
1. Increase Net Income 3
2. Risk Reduction 3
3. As a Means of Entering or Leaving Full-Time Farming 3
4. Social or Psychological Need 4

IV. Requirements of a Successful Part-Time Farmer 4
1. Adequate Resources 4
2. Job Flexibility 4
3. Managerial Ability 5
4. Proper Enterprise Selection 5
5. Health, Physical Suitability, and Stress Control 5
6. Attitude, Motivation, and Time Management 5

V. Economics of Part-Time Farming 5
1. Acquiring and Financing Resources 5
2. Small Margins Because of High Machinery Investment 6
3. Reduced Farm Revenue Potential Due to Off-Farm Work 6
4. Price Cycles 6

VI. Assistance for Part-Time Farmers 7
1. Educational Assistance 7
a. Saskatchewan Agriculture 7
b. University of Saskatchewan 7
c. Wascana Institute of Applied Arts and Sciences 7
2. Financial Assistance 7
a. For All Farmers, Including Part-Time Farmers: 7
i. Prairie Grain Advance Payments Act 7
ii. Farmers Oil Royalty Refund 7
iii. Federal Excise Gasoline Tax Refund 7
iv. Federal Gasoline and Diesel Sales Tax 8
v. Prairie Farm Rehabilitation Administration 8
b. For Part-Time Farmers Expanding to be Full-Time Farmers: 8
i. Farm Credit Corporation - Phase-in Program 8
ii. Agricultural Credit Corporation of Saskatchewan 8
iii. Farm Purchase Program 9
3. Other Programs 11
a. Saskatchewan Crop Insurance 11
b. Western Grain Stabilization 11
c. Saskatchewan Hog Assured Returns Program (SHARP) 11
d. National Tripartite Hog Stabilization Program 11
e. National Tripartite Sheep Stabilization Program 11
f. Saskatchewan Beef Stabilization Program 11
g. Class "F" Registration for Farm Trucks 12

Page

4. Programs Available to Bona Fide Farmers Only, (Including Part-Time Farmers Who are Bona Fide Farmers) 12
   a. Saskatchewan Water Corporation 12
   b. Farm Improvement Loans 12

VII. Advantages and Disadvantages of Part-Time Farming 12
1. Advantages 12
   a. Security of Two Sources of Income 12
   b. Increased Gain in Equity 12
   c. Income Tax Savings 12
   d. Low Cost of Living 13
   e. Rural Lifestyle and Community Spirit 13
2. Disadvantages 13
   a. Instability of Net Farm Income 13
   b. Low Return to Investment 13
   c. Extra Time Required to do Two Jobs 13
   d. Time and Cost of Commuting 13
   e. Municipal Taxation of Homes on Acreages and Part-Time Farms 13
   f. Lack of Assistance for Part-Time Farmers 13

VIII. Conclusions 14

I. Introduction

Part-time farming has been a persistent characteristic of Canadian agriculture. Louis Hebert, Canada's first farmer of European descent, combined farming with an apothecary practice. The relationship between farming and local manufacturing in early Canadian society produced some part-time farming activity. People from rural areas migrated to urban centers to find jobs. Many of them retained their farms and divided their time between the farm and the city. During the economic depression of the 1930's, part-time farming was associated with a movement in the opposite direction. City dwellers were forced to combine farming and city jobs in order to supplement their low city incomes.

Part-time farming comes about in two ways:

1. When a full-time farmer takes a non-farm job; or
2. When a full-time non-farmer enters into farming as a part-time occupation.

People who grow up on a farm have a special feeling for the countryside and often consider returning to the farm. Not all are fortunate enough to become full-time farmers. They may either purchase or rent a small farm or an acreage, with the idea of gradually expanding their holdings.

Today, farming requires very high capital investment and often a person can only enter into farming if he is given a farm or becomes a part-time farmer.

In the period from 1941 to 1981, an average of one-quarter of all census farmers in Saskatchewan reported "Some Days of Off-Farm Work," but the actual number of farmers with off-farm work has dropped from 44,226 in 1941 to 20,914 in 1981 (Appendix Table 1).

The decline by 1951 in the proportion of larger farmers reporting off-farm work, especially in the prairies, can be attributed to the decline in custom work resulting from widespread adoption of machinery (Appendix Table 1). Another reason for a high incidence of part-time off-farm work before the 1950's was the technology for building roads in Canada. Farmers were allowed to work a few days with their teams of horses to build grades and haul gravel in order to pay off part of their municipal taxes. This system changed shortly after the war.

In Saskatchewan, as in all provinces, a major structural change has taken place. The proportion of Saskatchewan census farm operators reporting "Part-Time Off-Farm Work" decreased from 31.3% in 1940 to 15.1 per cent in 1950 and increased to 22.6% in 1980 (Appendix Table 2). During the same period, the proportion of Saskatchewan census farm operators reporting "Full-Time Off-Farm Work" increased from .6% in 1940 to 8.5% in 1980 (Appendix Table 3).

The average number of days of off-farm work by all census farm operators in Saskatchewan has increased steadily from 6.1 days in 1935 to 45.5 days in 1980 (Appendix Table 4).

There are some characteristics of part-time farmers that have remained constant over time. All the census reports from 1951 to 1976 showed that a higher percentage of young farmers have off-farm work as compared with older farm operators. Also, the higher gross farm sales, the less chance that the operator will have some off-farm work.

A Statistics Canada survey of the prairie provinces in 1970 revealed that the higher the level of the operator's education, the more chance he will have off-farm work.

The type of Saskatchewan farms most likely to have operators with off-farm income in 1976 were farms producing:

1. Fruits and vegetables;
2. Miscellaneous specialty crops; and
3. Field crops

The types of farms least likely to have operators with off-farm income in the 1976 census were:

1. Dairy operations; and
2. Other livestock operations.

The type of off-farm work done by part-time farmers in Saskatchewan has changed somewhat, considering the 1941 and 1971 census (Appendix Table 5). The number of farmers working in manufacturing and construction declined slightly, from 36.2% to 32.8%. The number working in agriculture (including custom work) decreased from 34.8% to 20.9%. The number of farmers working in the transportation sector increased from 2.6% to 15.9%.

The consolidation of rural school districts and the increased use of bussing led, in part, to the increase in farmers taking off-farm jobs driving school busses (Appendix Table 5).

The amount of average tax filer's off-farm income in Saskatchewan has increased from $1,854 in 1971 to $11,095 in 1983 (Appendix Table 6). Off-farm income as a percentage of farm tax filers' total net income in Saskatchewan increased from 30% in 1973 to 59% in 1983. The dramatic increase in off-farm income as a percentage of farm tax filers' total net income indicates the growing importance of off-farm income and part-time farming.

The reader should bear in mind that there is a difference between a farm tax filer and an census farm operator. A farm tax filer is an individual who reports farm income on his or her income tax return. A census farm operator operates an agricultural holding of one acre or more with annual sales of agricultural products of $1,200 or more (1976 definition). Only one operator is listed for each census farm, even if the farm is a partnership. In 1983 in Saskatchewan, there were 92,075 farm tax filers and 66,700 census farms.

Tax filers on part-time farms in Saskatchewan earned almost double the off-farm income in 1982 as they did in 1976. Their small net farm income tripled resulting in a slight drop in off-farm income as a percent of total income to 93% in 1982 from 96% in 1976. Tax filers on full-time farms in Saskatchewan earned twice as much from their off-farm jobs in 1982 as they did in 1976. Their net farm income did not increase as much as off-farm income resulting in off-farm income as a percent of total income and increasing to 28% in 1982 from 18% in 1976.

In summary, in Saskatchewan fewer farmers have "Some Days of Off-Farm Work" than in the past, but the proportion of farmers who have off-farm work has remained the same, at roughly one-quarter, because of the declining farm population. The farmers who have off-farm work are working off the farm more days per year. More farmers are working at full time off-farm jobs. Farm tax filers in Saskatchewan earn more net income from off-farm work than from farming. In 1982 in Saskatchewan total income of farm tax filers on part-time farms was $4,000 more than farm tax filers on full-time farms.

II. Definition of a Part-Time Farmer

1. General Definition

A distinction should be drawn between the hobby farmer and the part-time farmer.

Hobby Farmer: an individual who operates a farm as a retreat away from an urban environment, without expectation of a profit; and

Part-Time Farmer: an individual who operates a farm business with a view to profit in conjunction with another form of livelihood.

Many different combinations of part-time farming exist. There is a range of possibilities, from a full-time farmer with a small amount of off-farm work to a full-time off-farm worker with a small amount of self-employment activity.

Part-time farmers fall into three distinct types:

a. Those who engage in part-time farming as a means of getting into full-time farming;
b. Those who engage in part-time farming as a means of getting out of agriculture into the non-farm sector; and
c. Those who view it as a permanent way of making a living.

2. Income Tax Definition and Implications

Part-time farmers may use the cash method of accounting. The five-year block average is available to part-time farmers if the majority of net income during the five years was from farming. The off-farm income of part-time farmers may prevent them from using tax provisions designed for bona fide (full-time) farmers.

a. Types of Farming

The Income Tax Act defines farming as the tillage of the soil, livestock raising or exhibiting, maintaining of horses for racing, raising poultry, fur farming, dairy farming, fruit growing, and the keeping of bees. It also includes tree farming and the operation of wild game reserves. In some circumstances, farming includes raising fish, market gardening, the operation of nurseries and greenhouses, and the operation of a chick hatchery. Farming does not include trapping nor an office or employment under a person engaged in the business of farming. Presumably, anyone who carries on any of the above activities as a business is a "farmer." This open definition of a farmer would permit farms to be used as tax shelters where farming losses (including some living expenses) are applied to reduce other income. Consequently, three different types of farmers are defined:

i. "hobby farmers," who have no realistic expectation of profit from their farming operations;

ii. "part-time farmers," whose farms can be expected to be profitable, but whose chief source of income is neither farming nor farming plus some other income source; and
iii. "bona fide farmers" whose chief source of income is either farming or farming with some other subordinate income source.

Some factors used to classify farms into the above categories are:

i. income levels from farming and other income sources;
ii. future potential for farm profit;
iii. intention of the operator;
iv. time the operator spends farming; and
v. size of the farming business.

Success or failure does not determine whether an enterprise is a business; nor does the phrase "farming combined with some other source of in-

come," limit the other source to being related in any way to farming. Revenue Canada has very broad powers to judge whether or not a taxpayer is a farmer.

The types referred to here are given the labels hobby part-time and bona fide for convenience. The types are discussed in the Income Tax Act, but are not given labels there.

b. Treatment of Farming Losses

Hobby farmers have no expectation of profit. Consequently, their farming expenses are considered to be personal and living expenses. Their farming losses are not deductible against other income.

Part-time farmers can deduct farm losses up to $5,000 per year, calculated as follows:

i. The first $2,500 is deductible;
ii. Half of the next $5,000 is deductible; and
iii. None of the remainder is deductible.

For example, if a part-time farmer loses $6,000 in a year farming, he could deduct $2,500 plus half of $3,500 (or $4,250) from other income in that year. The remaining $1,750 is called a "restricted farm loss". It can be applied to reduce net farm income of the previous year, or carried forward for up to five years to deduct from the net farm income in those years. In deducting losses of previous years, those of the earliest year must be deducted first.

Bona fide farmers may deduct all farming losses from other income. Losses in excess of other income in the year of loss may be carried forward to apply against income up to five years into the future.

III. Reasons for Part-Time Farming

1. Increase Net Income

a. Because many farm enterprises are seasonal or cyclic, farmers may have extra time available at certain times of a year or day. For example, a grain farmer may work off the farm for three or four months in the winter. The operator of a mixed farm may find that by changing his work schedule he is able to drive a school bus without affecting his farm production. The most obvious impact of an off-farm job is cash flow. The money comes into the farm unit almost immediately, with relatively low investment. It could take thousands of borrowed dollars and months or years of work to develop a second farm enterprise that produces net income equal to the wages from a reasonable part-time job.

b. Because industrial employment has tended toward shorter hours, more holidays, and higher pay, many employees have spare time as well as spare investment funds. Some of them use this free time to set up part-time businesses, including farms. Some industrial employees have funds available for investment in farming.

c. The restricted farm loss provision of the Income Tax Act provides some tax relief for individuals who farm on a part-time basis.

d. Because farming and some types of non-farm employment complement each other, some individuals find one or both activities aided by the other. For example, a farmer may work part-time for an agricultural chemical company. His farming activities may give credibility to his customers, and he is able to learn about agricultural chemicals for use on his own farm.
Some office workers may find that the physical work they do on their part-time farms complements their non-physical office jobs.

2. Risk Reduction

a. Some individuals engage in farming as a second occupation to diversify their investments. Investing in land has been a good hedge against inflation in the past, as well as providing an additional source of income.

b. Some farmers undertake non-farm jobs in order to smooth out their income streams. Taking a non-farm job may be the result of a poor crop, of low prices in a given year, or low income when starting farming. The job may be continued on an occasional or permanent basis.

3. As a Means of Entering or Leaving Full-Time Farming

Some beginning farmers use part-time farming as a stepping stone to get into full-time farming. On the other hand, some retiring farmers farm on a part-time basis while they ease into retirement.

Ray Bollman studied the extent to which part-time farming facilitates the entry into or exit from full-time farming in a paper entitled 'Classification and Adjustments by Part-Time Farmers in Canada.' He found that: In 1971 there were 235,800 full-time farmers. Between 1966 and 1971, 90,400 people entered full-time farming from the following sources:

a. 47,000 entered directly from the non-farm sector;
b. 6,400 came from having a full-time off-farm job five years before; and
c. 37,000 came from having a part-time off-farm job five years before.

Therefore, part-time farmers form a significant, but not major, component of the stream of operators entering full-time farming.

In 1966 there were 264,000 full-time farmers. Between 1966 and 1971, 118,600 individuals ceased to farm full-time, as the following statistics indicate:

a. 90,600 exited directly;
b. 23,000 moved to part-time off-farm work; and
c. 5,000 moved to full-time off-farm work.

Therefore, more individuals left farming directly than went through part-time farming.

Part-time farming has more impact on entry into than on exit from full-time farming.

4. Social or Psychological Need

a. Some individuals, having grown up on farms, are never able to adjust fully to urban lifestyles, but are unable or unwilling to farm full-time. For example, a skilled tradesman whose assets are in the form of human capital finds satisfaction in managing the small family farm.

b. The environment of street noises, crowding and business pressures may prompt some urban dwellers to opt for a country life. For example, a stock broker invests in a place in the country as a therapeutic measure.

c. Some individuals have a genuine fondness for plants and animals which cannot be satisfied through the ownership of small pets. For example, a secretary buys a farm in order to raise and handle horses.

d. The characteristic independence of farmers appeals to many people. For example, an immigrant, frustrated in his professional ambitions by language difficulties, finds satisfaction in the independence of his small farm.

e. Some farmers undertake part-time jobs to keep themselves occupied. A farmer may take a job as caretaker of a local curling rink in order to meet people. A grain farmer may take an office job in the winter months as a change from his summer farming activities.

f. Some urban individuals have goals which involve specific farm ambitions. For example, a lawyer buys a suburban acreage and starts breeding exotic beef because "I've always wanted to have a ranch".

g. Some farmers have specific non-farm ambitions which can be realized without giving up their farm activities. For example, a farmer may enter politics.

IV. Requirements of a Successful Part-Time Farmer

1. Adequate Resources

The quality and quantity of resources available to a farmer largely determine the kind and amount of production that is possible. If the farm lacks sufficient size, or if the quality of the land, machinery, and other resources are low, then the farm will not generate enough income for debt repayment and savings for expansion, and may require continuous subsidization by non-farm income.

The initial investment in the farm by the operator is critical, as it will determine the amount of loans required to purchase the farm business. The greater initial investment the owner has in his farm, the greater the chances for success.

The farm operator will also require operating capital to finance the purchase of such things as fuel, repairs, feed, supplements, seed, chemicals, and fertilizer. The length of time the operating capital will be needed will depend upon the type of operation.

The type of financing secured by the farmer will also affect the operation. Long-term loans should be used to finance purchases like land. Intermediate term loans of two to ten years in length should be used to finance machinery and building purchases. Short-term or one-year loans should be used to finance operating expenses. One of the worst mistakes made in farm financing is to borrow capital on an inappropriate repayment term. For example: Many farmers find themselves in difficulty when trying to repay short-term loans for machinery, equipment and building improvement out of the first year's income. A repayment schedule for loans should be set up with the lender that is realistic from the standpoint of both the earning capacity of the farm and the useful life of the item purchased.

2. Job Flexibility

Since the timeliness of farm operations has a great effect on farm production, job flexibility is critical. It is an asset to a part-time farmer to be permitted to take his holidays on short notice and leave without pay during the busy farming seasons. For example, a part-time farmer may have approval to take his holidays starting September 20 for harvest. If it starts to rain on September 20 and he is able to return to work and save his holidays until the weather improves, it will greatly benefit his farm operation.

Flexible working hours on a daily basis will also benefit a part-time farmer. Sometimes the farm operator will need time off during the regular working hours and take time off when convenient is an asset to the part-time farmer.

3. Managerial Ability

The complexities of modern-day farming demand an ever-increasing level of management skills. The role of management is to organize and operate the farm effectively, taking into account family goals and objectives. It includes planning, controlling, organizing, and co-ordinating activities. It also includes anticipating problems, problem analysis, appraising situations, and making decisions. The handling of limited financial resources is especially important in developing the farm business. Rapid technological change requires continual updating by farmers and part-time farmers, alike. Part-time farmers may benefit from keeping their number of enterprises to one or two that they know well, so as not to spread their management too thinly among many enterprises.

A knowledge of accounting and the keeping of a good record system will benefit the part-time farmer, since the records are the key to successful farm business and tax management.

4. Proper Enterprise Selection

a. Resources Available

The available resources, such as land, buildings, and improvements, will ultimately determine the enterprise selection. For example: Class 1 land can be used for any farm production, whereas Class 5 land may only be good for grazing livestock. The availability of a good source of water will determine the suitability of the farm for livestock production.
Since hauling water is extremely time-consuming, the part-time farmer should thoroughly investigate the water supply before investing in a livestock operation. The type and condition of the buildings and improvements should also be considered when choosing the farm enterprises.

b. Time Available

The farm enterprise chosen by the part-time farmer should be suited to the time available for farm work. A part-time farmer who lives in a town and farms one half-section forty miles away may be better off with a grain enterprise, rather than a livestock enterprise.

If the part-time farmer lives on the farm, the enterprise selection will depend upon his available labour and the amount of labour contributed by other family members. The distance travelled to the off-farm job will have a bearing on the number of hours per day the operator is available for farm work. The flexibility of holidays and time off without pay may determine whether specialty crops can be grown in a grain operation.

5. Health, Physical Suitability and Stress Control

Many farming operations are physically demanding and create conditions of stress. The pressures of a large amount of work to do in a limited period of time while working against the weather can severely affect the farm operator. The possibilities of stress are increased greatly when farming is combined with another occupation. Good health, strength, endurance, and ability to handle stress are essential for continued reliable performance.

Farmers cannot afford to be incapacitated (physically or mentally) when essential farming operations have to be carried out. Because timing is so critical in farming, lost time often results in large economic losses.

6. Attitude, Motivation and Time Management

As in other endeavours, a genuine interest in what one is doing is essential for part-time farming success. Individuals must commit themselves fully to both the farm and the off-farm jobs. Part-time farmers must have the necessary drive to carry out all the activities and operations that must be done. Part-time farmers must be experts in time management if they are to succeed in fitting their farm work into the free time from their off-farm jobs.

V. Economics of Part-Time Farming

The main factors affecting the economics of part-time farming are as follows:

1. Acquiring and Financing Resources

Beginning farmers face a number of problems and difficulties in acquiring financing for the resources needed to set up a farm unit, such as:

a. High Investment Requirements.

Farm investment levels have risen sharply in recent years, particularly with land values which are five to ten times the value of ten years ago. Buildings and machinery prices have also increased dramatically in recent years, making it difficult for beginning farmers.

b. Competition for Land

Beginning farmers must compete with established farmers and other competitors if they wish to buy or rent land. At a particular time, land may not be offered for sale in an area, or the price of land may be bid beyond the beginning farmer's ability to pay for it.

c. Equity and Backing Requirements

Lending institutions require borrowers either to have a certain level of equity in assets or to have someone else provide backing. Reasons include improved chances for loan repayment, security for loans, and motivation for the borrower. Frequently, a farmer who wants to help his son get started farming will provide some of his own land as security for his son's loan. In other situations, the borrower must have sufficient savings for the required equity.

d. Unproven Managerial Capability

Managerial capability and motivation are generally the most critical factors in determining the success or failure of a farm enterprise. The applicant for a loan must either exhibit or show potential for developing managerial skills.

e. Timing

If land, machinery, buildings, and livestock are acquired in low-price periods, debt loads will be lower and easier to handle when farm prices rise. Conversely, debt commitments made when prices are high may be difficult or impossible to service when prices decline. It is difficult to determine a good time to start farming.

f. Uncertain Financial Expectations

Realistic financial expectations are necessary to justify major investment decisions. Because of uncertain prices, costs, markets, production, and management, it is difficult to make reliable financial predictions.

2. Small Margins Because of High Machinery Investment

A part-time farmer may require higher equipment overhead per unit of production. In order to get his work done on time, the part-time farmer may need larger equipment than a full-time farmer with the same size of farm.

The high cost of the large equipment may result in several cost-reducing tactics by the part-time farmer. He may try to keep his machinery purchases to a minimum. He may purchase older machinery. While this reduces investment and depreciation costs, it will likely push up repair costs and require more of the part-time farmer's time which is generally in short supply. A machinery-sharing agreement can be used where two or more operators share the investment, depreciation, and repairs in proportion to the amount of use each makes of the particular machine.

A labour-machinery exchange agreement may be useful if one of the parties has excess labour and requires the use of machinery, and another has excess machinery capacity and requires additional labour. The leasing of machinery may be a viable alternative to purchasing specific machines. However, since timeliness is such a critical factor in agricultural production, the custom operator must be available on relatively short notice.

3. Reduced Farm Revenue Potential Due to Off-Farm Work

The obligations of an off-farm job may result in the part-time farmer not completing his farm operations at the proper time. An off-farm job may reduce the time available to research and plan for the farm operation. A farmer who is involved in several enterprises may, by adding an off-farm job, spread his management too thin, resulting in low production. A lack of specialized equipment on the smaller part-time farm may restrict the part-time farmer to crops with lower net returns.

4. Price Cycles

The part-time farmer may be affected by price cycles to a lesser extent than the full-time farmer, depending upon the amount of his off-farm income.

Price cycles are swings in the level of prices that recur in a more or less fixed pattern. During the cycle, prices change from one extreme to the other, according to the influences of the market place and other factors influencing supply and demand. Historically, farm prices are at their highest when supplies are at their lowest levels, and prices are lowest when large supplies occur. Price cycles, in general, are due to the collective response of producers to commodity prices at specific times, and recur because of an overreaction to the market situation.

The length of the price cycle varies by commodity, and may change as basic shifts in demand and other developments occur. Historically, the length of the price cycle has been 8 to 13 years for beef cattle, 3 to 4 years for hogs, and 1 to 2 years for poultry production. The length of the production process determines whether the price cycle will be long or short. The beef cycle is long, because it takes three years for decisions to increase or decrease production to show up in terms of increased or decreased meat supply. For hogs, the response time is approximately one year.

Price cycles have a critical effect on individual farmer's incomes and their farming success or failure. Farmers starting or expanding during the peak of a price cycle pay a high price, but do not have production ready until prices drop. Farmers who start or expand when prices are low and sell their production when prices are rising have a much better chance of success.

VI. Assistance for Part-Time Farmers

There are various forms of assistance available to part-time farmers. An index of addresses of programs and assistance available is provided in the Appendix.

1. Educational Assistance

a. Saskatchewan Agriculture

Agricultural information on all facets of agriculture can be obtained from local agricultural representatives. They have knowledge of, and access to, current research and experts in many areas. Some regional offices have technicians who provide information on farm water and sewage systems. A farmer with a specific problem may be referred to an agricultural specialist.
Some short courses are offered by specialists of the Saskatchewan Department of Agriculture.

b. University of Saskatchewan

The University of Saskatchewan, Division of Extension and Community Relations, offers two to three day Regional Agricultural Courses. The courses cover topics such as Agricultural Engineering, Beef Cattle Production and Management, Crop Production and Soils, Farm Financial Management, Estate Planning, and Veterinary Medicine and Nutrition. Other programs include Farm and Home Week, advanced on-campus courses and Field Days.

c. Wascana Institute of Applied Arts and Sciences

The Wascana Institute of Applied Arts and Sciences, Agricultural Division, offers one to three week courses both in Regina (Maxwell Crescent Campus), and throughout the province. Courses are offered in the areas of Computers, Beef Management, Dairy Management, Swine Management, Farm Management, Crops and Soils, Beekeeping, Farm Mechanics, critical factors in determining the success or failure of a farm enterprise. The applicant for a loan must either exhibit or show potential for developing managerial skills.

2. Financial Assistance

a. Financial Assistance for All Farmers, Including Part-Time Farmers

There is no special government financial assistance to part-time farmers. The following assistance is available to all farmers:

i. Prairie Grain Advance Payments Act

The Wheat Board Cash Advance is available to actual producers and interested parties who appear on Canadian Wheat Board Delivery Permits (including part-time farmers). The Cash Advance is paid to the producer, based on a specific amount per tonne for each of wheat, oats, or barley which the producer has on hand but is unable to deliver because of low quotas or country elevator congestion. The maximum Cash Advance for an individual producer is $30,000. As quotas increase and the producer delivers his wheat, oats and/or barley, the elevator agent will deduct from the payment for each tonne of that grain, an amount equal to the amount paid per tonne as an advance payment until the advance is fully repaid. The Cash Advance is interest-free as long as the provisions under which the cash advance was taken are fulfilled. The Federal Government provides Cash Advance funds at no interest charge to producer, and the Wheat Board administers the program on behalf of the Federal Government of Canada. Any name listed as a suffix in the permit book must sign the cash advance application, but does not have to take a share of the advance. For more information see your local elevator agent or contact the Canadian Wheat Board.

ii. Farmers Oil Royalty Refund

Farmers and part-time farmers in Saskatchewan can apply for a refund of 21 cents per gallon (4.6 cents per litre) on qualifying fuels purchased since January 1, 1986. Farmers may apply quarterly starting April 1, 1986. From total fuel purchases all farmers must deduct a minimum of 1,500 litres annually for personal use. In addition farmers who have off-farm employment must deduct the fuel used to commute to the off-farm employment. To apply or for further information contact any agricultural representative or rural municipality office.

iii. Federal Excise Gasoline Tax Refund

The Federal excise tax of 1.5 per litre is imposed on gasoline and aviation gasoline. It is not imposed on diesel fuel, propane, home heating fuel or aviation fuel.

Certain uses of gasoline or aviation gasoline qualify for a refund of the tax. A person who purchased aviation gasoline which was used for aerial spraying, seeding, pest control, or forestry, would be eligible to receive the refund. A person whose principle occupation is farming may receive a refund for all gasoline used for farming purposes. A person whose principle occupation is not farming, but who does use gasoline in farming activities, may receive a refund if the farming activities generated an income. This person could claim a refund for gasoline used to earn an income. This would be the same proportion of gasoline as was deducted for business purposes when calculating the income tax. Gasoline used by a person whose farming activities do not produce an income is not eligible for refund. When no income is earned, the gasoline is considered to be for personal and not business use.

Gasoline or aviation gasoline which is used for personal use is not eligible for refund except when the gasoline is purchased by and for the use of a person who is physically handicapped. Travel to and from work is considered as personal travel.

Further information about excise gasoline and aviation gasoline tax refunds can be found in the Federal Excise Gasoline Tax Refund information booklet which can be obtained at any post office.

iv. Federal Gasoline and Diesel Sales Tax

A program to rebate 3 per litre on gasoline and diesel fuel was introduced December 1, 1984 and is scheduled to terminate on December 31, 1986. Invoices dated previous to May 23, 1985 will have up to four years to apply. Invoices dated after May 23, 1985 will have up to two years to apply. Farmers can apply for a bulk purchase number and have the 3 per litre removed at source by the bulk fuel dealer. For more information contact the District Excise Office.

v. Prairie Farm Rehabilitation Administration (PFRA) - Rural Water Development Program

Financial and technical assistance is available for the investigation and development of water source and irrigation projects. Applicants must meet PFRA eligibility requirements, and projects must be constructed to specified standards.

(1) Individual Farm Wells, Dugouts, Dams and Other Source Development

Financial assistance is available for approved projects on the basis of one-third of eligible costs, to a maximum of $1,650 per project.

(2) Individual Irrigation Projects

Financial assistance is available for approved projects on the basis of one-third of material costs, to a maximum of $2,200 per project.

(3) Neighbour Schemes

Where two or more farmers jointly develop a project, each applicant is eligible to receive up to the individual maximum of $2,200 for irrigation development projects.

PFRA will accept applications for assistance from part-time farmers. It is not the intent of the program to assist individuals owning small rural holdings where the property is used primarily as a place of residence.

b. Financial Assistance for Part-Time Farmers Expanding to be Full-Time Farmers

i. Farm Credit Corporation - Phase-In Program

Applicants may phase into farming over a period of not longer than five years. They may borrow the lesser of $350,000 per qualifying applicant to a maximum of $600,000 for one farming enterprise, or 100 per cent of the value of the land, buildings, and chattels (any article of movable or immovable property except real estate - example, machinery and livestock). The applicant must submit a projected plan of his farm operations for the first five-year period. He must demonstrate that at the end of the five-year period his principal occupation will be farming. In this way, beginning farmers can continue to earn off-farm income while they develop a viable farming business. Advisory services are available to all applicants.

ii. Agricultural Credit Corporation of Saskatchewan (ACS)

ACS provides low interest loans and grants to farmers who wish to begin or expand a livestock enterprise, provided their net income and net worth are within limits set by the Corporation.

Persons who receive assistance must intend to make farming their principal occupation. In some situations, individuals may be allowed to phase into full-time farming. If considered necessary, part-time off-farm work may be undertaken, provided the off-farm work does not interfere with the proper management of the farm operation and does not exceed limits set by ACS.

Loan funds may be used for purchasing breeding stock, purchasing materials for construction or renovation of buildings, and other improvements such as fencing or water supply, and for purchasing equipment which is essential to livestock production. Honey bees, PMU, poultry and irrigation also qualify for ACS loans.

Partnerships, co-operatives and corporations may be eligible for loans if their principal business is farming and the control of operating units is in the hands of the farmers, and if all members qualify. In the case of the multiple operator unit being ineligible the member(s) that qualify may apply on an individual basis.

ACS loans for livestock enterprises are limited to $350,000 for any individual. The amount of loan eligible for subsidized interest rates is reduced by $3.50 for each $1.00 of net worth exceeding $350,000 with any remaining portion of the loan being at the non-subsidized rate. The maximum net worth for applications to ACS is $450,000.

Interest rates are fixed for the term of the loan and are based on the applicant's net worth. Interest rates for subsidized loans are 8% for the term of the loan, if the loan is for fixtures and buildings. Interest rates for subsidized loans for machinery and breeding stock are 8% for the first five years, 12% for the next five years and 13% for the last five years. The interest rates for non-subsidized loans is Corporation's cost of borrowing at the time of loan approval.

The maximum loan term is 15 years. Repayment schedules have been set up to coincide with the sale of production and may be established on a monthly, quarterly, semi annual or annual basis depending on the enterprise.

Additional information may be obtained by contacting your nearest Agricultural Credit Corporation of Saskatchewan Office. ACS regional offices are located in Swift Current, Weyburn, Saskatoon, Tisdale and North Battleford.

iii. Farm Purchase Program

The Farm Purchase Program (FPP) provides financial assistance to help offset high interest costs and to ensure stable interest rates for the first ten years of a farm land purchase.

Assistance is provided to small and medium-sized farmers, particularly young farmers who are finding it financially difficult to buy the family farm.

Interest Rebate Payments

For the first five years of a loan, FPP pays interest rebates equal to the difference between payments at a base interest rate which is calculated by FPP and what payments would be at 8%. For the next five years, rebates equal the difference between payments at the base interest rate and 12%.

The FPP base interest rate is the average of interest rates obtained by FPP participants when they enroll in the program, renew their mortgage, or transfer the loan to another lender. A base rate is calculated for each type of loan (e.g. 1 year fixed, 3 year fixed). To receive maximum benefit from the program, a borrower should negotiate the lowest possible interest rate from his lender. The rebate is based on amortized payments over the loan's amortization period.

Participants receive semi-annual rebate cheques as long as the loan remains in good standing.

Example

A loan of $100,000 is obtained to purchase land, excluding improvements. The loan has an interest rate of 13% fixed for a term of three years at which time it must be renewed. The amortization period is 20 years. The base interest rate for this and similar loans has been calculated to be 12.75%.

Semi-annual amortized loan payment on $100,000 at 12.75%	= $6,962.76
Semi-annual amortized loan payment on $100,000 at 8%	= $5,052.35
Semi-annual rebate grant	= $1,910.41

During the term of this 3 year loan, six semi-annual rebates of $1,910.41 totalling $11,462,46 will be paid to the participant. After three years, when the loan is renewed, the rebate will be recalculated as the difference in amortized payments between the base interest rate at that time and 8%. After five years of enrolment, rebate calculations are adjusted by using the appropriate base interest rate and a rate of 12%.

Enrolment Eligibility

1. Applicants must be residents of Saskatchewan or become residents within five years from the date of enrolment.

2. Application is allowed only on an individual basis taking into account the circumstances of the individual, spouse, and children under eighteen years of age. While partnerships, cooperatives and corporations cannot enroll, individual partners, members and shareholders can.

3. Applicants must be "bona fide" farmers or become bona fide farmers within five years from the date of enrolment. A bona fide farmer must spend the majority of his time managing and operating the farm and derive the majority of income from farming.

4. The average annual income earned from non-farm sources during the three years preceding enrolment as filed with Revenue Canada cannot exceed the following levels:

— Single Applicant — $35,000
— Applicant with a spouse — $45,000

An exception to the 3 year non-farm income averaging provision may be made where prior to making application non-farm employment has been terminated or has been reduced to a level which on an annual basis will not exceed the eligibility figures listed above.

5. Combined net worth of an applicant, spouse and children under eighteen years of age must be under $300,000.

Loan Eligibility

1. Interest rebates are paid only on loans which have an amortization period of at least 10 years and are secured by a mortgage.

2. Lenders must be approved by FPP. The approved lenders are:

Bank of Montreal
Canadian Imperial Bank of Commerce
Credit Unions
Farm Credit Corporation
The Bank of Nova Scotia
The Royal Bank of Canada
The Toronto-Dominion Bank

3. Rebates are paid only on loans obtained for the purchase of land, exclusive of improvements, which result in a net increase in the value of land owned.

4. The maximum total amount of loans eligible for rebate is $350,000. This is reduced by $3.50 for each $1.00 of net worth exceeding $200,000 at the time of enrolment.

5. If an applicant is leasing cultivated crown land which is available for sale, the applicant must purchase that land before a rebate can be provided on a loan to buy other land. Crown land purchases are eligible for FPP assistance.

6. An individual is not eligible to receive rebates on money borrowed to repurchase land he owned within the last 12 months. Effective December 17, 1985 the repurchase period is extended to five years.

Participant Eligibility (ongoing)

1. Rebates will be terminated if a participant ceases to remain a bona fide farmer or a Saskatchewan resident or if the land on which the rebate is being paid is sold.

2. Participants who fail to become bona fide farmers or Saskatchewan residents must repay all rebates which have been received, as well as other penalties which may be assessed.

3. Participants who fail to maintain the net increase in land bought under FPP will have their rebates reduced proportionately.

Lender Responsibility

The approved lender is responsible for determining an individual's ability to acquire financing and provides the loan funds. FPP enrolment forms are completed by the applicant and the lender at time of application for the loan. To complete the enrolment form the following is required:

— price breakdown of "bare land" and "improvements" for any sales or purchases in the last 12 months, as has been or is to be reported for tax purposes.

— information from the previous three years' tax returns

— information regarding the saleability of land leased from the province

Further information can be obtained from Saskatchewan Agriculture and at the branches and offices of approved lenders or from the Farm Purchase Program in Regina.

3. Other Programs Available to All Part-Time Farmers

a. Saskatchewan Crop Insurance

The Saskatchewan Crop Insurance Board provides all-risk insurance to approximately 46,800 farmers each year. Premiums and coverages are determined by risk area and soil type, and are adjusted individually on the basis of the claims record of the insured producer. The program offers two levels of yield protection: 60% and 70% of average yield for all crops, and two price options for each crop.

Crop insurance is available on spring wheat, durum wheat, utility wheat, barley, oats, flax, rapeseed, fall rye, spring rye, tame mustard, sunflowers, field peas, canary seed, lentils, fababeans, sweet clover and honey. Coverage is available to insurers who are unable to seed on summerfallow due to excessive spring moisture.

In 1985 the Individual Coverage option was added to the Canada-Saskatchewan Crop Insurance Program. It provides coverage based on 80% of the producers 10 year average yield and utilizes the farmers own actual yields rather than the average yield of the area.

In addition to providing protection against yield loss, the crop insurance contracts provides protection on a spot-loss basis against hail and/or fire losses that occur before September 30.

A crop insurance application must be made by April 30 of the year it is to be in effect.

b. Western Grain Stabilization

The Western Grain Stabilization Program is designed to stabilize the incomes of western grain farmers by protecting them from sharp drops in cash flow. Its operation is based on the joint participation of grain producers and the Federal Government. The Federal Government currently contributes two dollars for every dollar contributed by producers. The producer contribution is currently one percent of the eligible gross cash receipts (up to $60,000) to a maximum of $600 per producer.

The stabilization plan is designed to cover loss of income from declining grain prices, rising costs of production, widespread crop failures and/or widespread inability to market grain. It complements, rather than replaces crop insurance. The plan produces a payout when net cash flow from grain sales in the Canadian Wheat Board designated area is lower than average for the previous five-year period.

The crops covered are wheat, oats, barley, rye, flax, rapeseed, and mustard grown in the Canadian Wheat Board designated area.

Only actual producers who hold a Suffix A Wheat Board Permit (including part-time farmers) may participate in the program. A new producer has until December 31 of the third year following receipt of his permit book to decide whether or not he wants to opt out of the program. The producer must be in the program for three years to receive the maximum benefit in the event of a payout.

c. Saskatchewan Hog Assured Returns Program (SHARP)

This program is being phased out in favour of the National Tripartite Hog Stabilization Program.

d. National Tripartite Hog Stabilization Program

This program began in 1986. It is funded one-third each by producers, Federal, and Provincial Governments. The administration costs will be paid by government. Producers must join with all market hogs. The maximum is 2,000 hogs per quarter per production unit. The support level is cash costs in the current quarter plus 95% of the average margin in the same quarter for the preceding five years. New producers and producers who join at start up will receive full coverage, otherwise they are subject to graduated entry. Producers can withdraw from the plan on three years notice. The levy is generally deducted at source. Application forms are available.

e. National Tripartite Sheep Stabilization Plan

This program began in 1986. The support period is quarterly. The program is based on ewe and chosen lambing percentage. The payout is based on the lambs sold. The support level is 95% of the ten year average price indexed for inflation. The producer will register all ewes but there will be an upper limit until slaughter weight.

f. Saskatchewan Beef Stabilization Plan

The Saskatchewan Beef Stabilization Plan is a voluntary plan for beef producers who wish to protect themselves from instability of returns. A producer may join the plan if he has a cow herd and maintains ownership of animals produced from the cow herd until slaughter weight. Stabilization is paid on slaughter steers, heifers, and virgin bulls grading A or B.

The producer contributes a levy of six percent of gross sales of eligible slaughter animals into a stabilization fund. The Government of Saskatchewan matches the producer's contribution and guarantees the stabilization fund.

The plan provides an industry support level equal to 100% of cash costs and 50% of non-cash costs of production, as determined by the Board. In any quarter of the year that the average price of A1, A2 steers falls below the support level, a stabiliza-

tion payment equal to the difference is made on all enrolled cattle marketed. The support level is updated as costs change. When costs of production increase, the support level goes up. When costs decrease, the support level goes down.

An eligible producer may enroll up to 200 animals produced from his cow herd.

The Beef Stabilization Board markets all slaughter animals enrolled in the Plan. The Board also markets animals not enrolled in the Plan on a voluntary basis for participating producers.

g. Class "F" Registration for Farm Trucks

Class "F" registrations are used by farmers who wish to use their trucks for the following purposes:

- the operation of a farm owned, leased or purchased under an agreement for sale by the person named in the registration;
- for the transportation of primary products of a farm in the initial movement to or from a farm; and
- as a personal conveyance.

Class "F" registration cannot be used with any line of business or employment other than farming. Farmers can use a truck with an F plate to drive to an off-farm job.

For more information contact your nearest Saskatchewan Government Insurance office.

4. Programs Available to Bona Fide Farmers Only (Including Part-Time Farmers Who Are Bona Fide Farmers)

a. Saskatchewan Water Corporation

i. Test Drilling Assistance Policy

Saskatchewan Water Corporation maintains a library of geological maps and ground water information for most areas of the province.

ii. Deep Well Assistance Policy

Assistance is available for drilling a deep well for domestic or agricultural with the exception of irrigation. Assistance is available on the portion of the well exceeding 246 feet below ground level. A grant equal to one third of eligible costs is available for drilling, casing, screen, well development testing and mobilization. For more information contact the Saskatchewan Water Corporation in Moose Jaw.

b. Farm Improvement Loans

Farm Improvement Loans are available to persons whose principal occupation is farming from chartered banks and credit unions. Loans made in accordance with The Farm Improvement Loans Act are guaranteed by the Government of Canada. The interest rate for Farm Improvement Loans float at bank prime plus one percent. Loans may be made for the following purposes:

- new agricultural implements;
- breeding livestock;
- construction or renovation of farm buildings;
- purchase of additional land;
- improvements to land (fencing, drainage); and
- major repair or overhaul of farm equipment where the cost of repair or overhaul exceeds $400.

The maximum Farm Improvement Loan is $100,000.

VII. Advantages and Disadvantages of Part-Time Farming

1. Advantages of Part-Time Farming

a. Security of Two Sources of Income

Many part-time farm operations are not viable operations in the beginning, due to such factors as low production and low economies of scale. However, after several years of production and subsidization of the farm by off-farm work, the investment in the part-time farm may pay off in terms of positive net farm income.

b. Increased Gain in Equity

On a farm, in most cases, in order to increase your farm income you must increase your capital assets, such as land, breeding stock, and/or buildings and machinery. Attempting to increase income by increased capital assets leads to saving at a higher rate than normal. In most cases, the result is a lower standard of living when the farm is in the developing stages.

c. Income Tax Savings

Part-time farmers receive some tax relief, since they can in some situations deduct farm losses up to $5,000 per year from other income, as explained in the section "Income Tax Definition and Implication." Part-time farmers may use the cash method of accounting for income tax purposes. Farmers who operated their farm businesses out of their farm homes may claim a portion of the capital cost of the house and a portion of the repairs and maintenance done on the house as a tax expense. Vehicle expenses associated with earning farm income may be used as income tax expenses.

d. Low Cost of Living

A farmer has several ways to maintain a low cost of living. By raising one's own livestock for food, it may be possible to make use of waste by-products to produce something useful. For example: The excess milk can be fed to hogs. The screenings from cleaning seed grain can be fed to poultry for egg or meat production. During times of low grain quotas, grain can be used to feed livestock on the farm to reduce the grocery bill. There is usually ample space for a big garden on the farm, which will reduce the total food bill.

Repair and maintenance of automobiles and households is usually done by the farmer himself, because of the high cost of having someone come out to the farm to make repairs.

e. Rural Lifestyle and Community Spirit

Through part-time farming some people who cannot afford to full-time farm are able to adopt a rural lifestyle. A comradeship often develops between rural neighbours. Usually, rural neighbours have a lot in common; they are producing similar products, and they may have some of the same problems in the farming business. Neighbours often help one another with jobs such as completing the harvest, or erecting a barn or shed. In return for the help, a time will come when the neighbours who helped others will need help themselves.

2. Disadvantages of Part-Time Farming

a. Instability of Net Farm Income

The variations in agricultural production, coupled with the variation in market prices, makes farm incomes difficult to predict. Add to this the inability of farmers to control input costs, and the result is an unstable net farm income;

b. Low Return to Investment

One of the characteristics of farming is the low financial return on capital invested. Even though the operator's net worth may be inflating with land prices, the monetary return is often low. A low rate of return on total investment, coupled with high interest rates on farm loans, will yield a low or negative return to the operator's investment. The result is a reduced standard of living in order to subsidize the farm during the initial years.

c. Extra Time Required to Do Two Jobs

Operating a farm in addition to working off the farm means many long days when the operator returns from work and must go directly to the farm work. When working off the farm, the operator is not home to do things like painting, repairing and remodelling. Some operations may be done at the convenience of the off-farm work and not at the proper time. Many jobs cannot wait for the weekend when the operator will have more time. The sick calf must be tended to immediately. The crop that is in danger of shelling out must be swathed now. The additional time required to farm and do off-farm work means giving other activities less time, such as family activities, hobbies, and relaxation.

d. Time and Cost of Commuting

The time required for commuting to the off-farm job can be considerable. Let us take for example a part-time farmer who lives 35 miles from his work and spends 45 minutes driving one way to work. When you account for two trips a day at 45 minutes each, it adds up to 195 hours over a six-month period. Commuting the same distance for a year, less three weeks of holidays, would add up to 367 hours.

The cost of commuting is rapidly increasing with the increases in automobile repairs and fuel prices. Assuming a total cost of 28¢/mile for operating a vehicle, commuting 35 miles to work would cost 70 miles x 28¢/mile = $19.60 daily. The total cost of commuting for a year would be 245 days x $19.60 = $2,548.
Assuming the same cost of 28¢/mile, the cost of commuting for six months would be 130 days x $19.60/day = $2,548.

The costs of commuting can be reduced by forming car pools. However, this is not always possible, due to different working hours or different locations of work of rural neighbours.

e. Municipal Taxation of Homes on Acreages and Part-Time Farms

Where a part-time farmer is not a bona fide farmer (i.e. farming is not his chief source of income), his home on the farm may not be exempt from taxation as is the home of a bona fide farmer. The assessment of the farm home would be similar in nature to the assessment of an urban home. In some situations, a farmer whose chief source of income is not farming may be exempted from all or part of the municipal tax on his farm home. The assessment of all the farm land owned and used by him for agricultural purposes is used as an exemption against the assessment on his farm home. The part-time farmer would pay municipal tax on the balance, if any.

f. Lack of Assistance for Part-Time Farmers

There are some programs that a farmer can use to expand from part-time to full-time farming, such as the Farm Credit Phase-In Program. There are no programs like Farm Improvement Loans whereby a

part-time farmer may borrow for machinery. Financing at reasonable rates may be difficult for part-time farmers to obtain.

It is sometimes difficult for part-time farmers to get technical and management information from agricultural extension workers whose office hours often correspond with the off-farm employment hours of part-time farmers.

VIII. Conclusions

Farming is regarded as richly rewarding in non-financial compensation. The benefits associated with living and working on a farm are a lower cost of living, independence, closeness to nature, varied nature of work, fresh air, peace and quiet, and the rewards of participating in the creation of plant and animal life.

Many people consider farming as a way of life, and continue the two-job status in spite of low farm earnings and additional work hours.

What part-time farmers do with the income from off-farm work will determine how long they will need the job. In most cases, the more income invested in the farm, the sooner the farm becomes self-sufficient. If you choose to consume all of the off-farm income, it could mean that you are prepared to settle for a smaller farm and a part-time job for many years.

The objectives, determination, and relative net incomes of the farm and off-farm job will eventually determine whether the operator will expand the part-time into a full-time occupation or continue as a farmer and off-farm income earner combined.

The development of part-time farming has been a natural process, as it has neither been supported nor encouraged by any agency, group, or institution. Despite this, it has grown into almost every sector of the farm economy.

In the past, part-time farming was viewed as a means of achieving full-time farming. Recently, however, it has been recognized that for some people part-time farming itself may be the objective.

Appendix

Table 1

Number and Percent of Census Farm Operators Reporting "Some Days of Off-Farm Work"

Canada and Saskatchewan, 1941-81

	Year	Total Census Farm Operators	Number of Census Farm Operators Reporting Off-Farm Work	Percent of all Census Farm Operators
Canada				
	1941	732,832	260,389	35.5
	1951	632,091	172,092	27.6
	1961	489,903	153,675	31.0
	1966	430,522	165,723	38.5
	1971	366,128	129,287	35.3
	1976	388,578	114,625	33.9
	1981	388,361	123,136	38.7
Saskatchewan				
	1941	138,713	44,226	31.9
	1946	125,612	25,129	20.0
	1951	112,018	18,655	16.6
	1961	93,924	18,719	19.9
	1966	85,680	23,444	27.4
	1971	76,970	19,926	25.9
	1976	70,958	16,673	23.5
	1981	67,318	20,914	31.1

Source: Statistics Canada, Census of Agriculture, 1941-81.

Table 2

Percent of Census Farm Operators Reporting Part-Time Off-Farm Work (1)

Canada and Saskatchewan 1941-81

	Jan. 1 to Dec. 31 1940	Jan. 1 to Dec. 31 1945 (2)	Jan. 1 to Dec. 31 1950	June 1 1960 to May 31 1961	June 1 1965 to May 31 1966	Jan. 1 to Dec. 31 1970	June 1 1975 to May 31 1976	Jan. 1 to Dec. 31 1980
Canada	32.3	—	21.7	23.4	27.8	23.8	21.0	24.8
Saskatchewan	31.3	19.4	15.1	15.8	22.6	20.2	16.9	22.6

— Not available.

(1) Part-time off-farm work is defined to be 1 to 228 days of off-farm work
(2) The 1946 Census of Agriculture was enumerated only in the Prairie Provinces.

Source: Statistics Canada, Census of Agriculture, 1941-81.

Table 3

Percent of Census Farm Operators Reporting Full-Time Off-Farm Work (1)

Canada and Saskatchewan 1941-81

	Jan. 1 to Dec. 31 1940	Jan. 1 to Dec. 31 1945 (2)	Jan. 1 to Dec. 31 1950	June 1 1960 to May 31 1961	June 1 1965 to May 31 1966	Jan. 1 to Dec. 31 1970	June 1 1975 to May 31 1976	Jan. 1 to Dec. 31 1980
Canada	3.2	-	5.9	8.6	10.7	11.5	12.9	13.9
Saskatchewan	0.6	0.6	1.5	4.1	4.8	5.7	6.6	8.5

— Not available.

(1) Full-time off-farm work is defined to be more than 228 days of off-farm work.
(2) The 1946 Census of Agriculture was enumerated only in the Prairie Provinces.

Source: Statistics Canada, Census of Agriculture, 1941-81.

Table 4

Average Number of Days of Off-Farm Work Reported By All Census Farm Operators

Canada and Saskatchewan 1936-81

	Jan. 1 1935 to Dec. 31 1935 (1)	Jan. 1 1940 to Dec. 31 1940	Jan. 1 1945 to Dec. 31 1945 (1)	Jan. 1 1950 to Dec. 31 1950	June 1 1960 to May 31 1961	June 1 1965 to May 31 1966	Jan. 1 1970 to Dec. 31 1970	June 1 1975 to May 31 1976	Jan. 1 to Dec. 31 1980
Canada	—	26.8	—	35.1	47.2	53.4	54.5	58.3	66.1
Saskatchewan	6.1	9.9	7.9	12.3	25.5	30.3	33.1	34.3	45.5

— Not Available.
(1) The 1936 and 1946 Census of Agriculture were enumerated only in the Prairie Provinces.

Source: Census of Agriculture, 1936-81.

Table 5

Percent Distribution of Census Farm Operators Reporting "Some Days of Off-Farm Work" by Major Off-Farm Occupation

Saskatchewan 1941, 1961, and 1971

	1941 (1)	1961 (1)	1971 (1)
Manufacturing and Construction	36.2	19.4	32.8
Agriculture (including custom work)	34.8	18.4	20.9
Transportation (truck or bus driver)	2.6	11.2	15.9
Other	16.4	51.0	30.4
	100.0	100.0	100.0

(1) Operator may report more than one kind of work.

Source: Statistics Canada, Census of Agriculture

Table 6

Year	Number of Farm Tax Filers	Net Farm Income	Total of Off-Farm Income (1)	Total Income (2)	(1) Percent of (2)
Saskatchewan					
1971	88,434	1,942	1,854	3,795	49
1972	93,442	3,152	2,117	5,268	40
1973	94,680	5,816	2,531	8,348	30
1974	94,348	8,043	3,517	11,560	30
1975	95,478	9,466	4,323	13,788	31
1976	93,633	7,612	5,059	12,672	40
1977	92,404	5,907	5,608	11,515	49
1978	92,748	6,323	6,214	12,537	50
1979	93,217	8,038	7,270	15,308	47
1980	93,707	7,944	8,624	16,568	52
1981	95,119	10,688	10,843	21,531	50
1982	93,077	8,713	11,973	20,686	58
1983	92,075	7,605	11,095	18,700	59
Canada					
1971	364,869	1,247	3,079	4,326	71
1972	379,135	1,973	3,500	5,474	64
1973	388,749	3,404	4,228	7,632	55
1974	394,803	4,453	5,472	9,925	55
1975	405,756	4,805	6,540	11,344	58
1976	406,007	3,840	7,482	11,322	66
1977	405,186	3,254	8,217	11,471	72
1978	416,164	3,583	9,006	12,588	72
1979	427,205	4,223	10,257	14,481	71
1980	438,722	3,989	11,854	15,844	75
1981	447,156	4,612	14,178	18,791	75
1982	440,154	4,168	15,596	19,764	79
1983	436,114	3,929	14,815	18,744	79

Source: Statistics Canada, unpublished figures, self-employment income file.

A farm tax filer is an individual who reports positive gross or non-zero net (unincorporated) self-employment income from farming.

Table 7

Net Income of Farm Tax Filers (On Part-Time Farms*)

By Source Canada and Saskatchewan 1976-1982
(dollars per tax filer)

Year	Net Farm Income	Total Off-Farm Income (1)	Total Income (2)	(1) Percent of (2)
Saskatchewan				
1976	495	11,134	11,629	96
1977	356	11,764	12,120	97
1978	485	13,019	13,504	96
1979	859	14,973	15,832	95
1980	1,059	16,638	17,697	94
1981	1,630	19,792	21,422	92
1982	1,532	21,754	23,286	93
Canada				
1976	-858	14,090	13,232	106
1977	-945	15,004	14,059	107
1978	-940	16,410	15,470	106
1979	-995	18,409	17,414	106
1980	-1,095	20,553	19,458	106
1981	-1,153	23,520	22,367	105
1982	-1,071	25,863	24,792	104

*Farm tax filers or part-time farms - Farm tax filers with minor dependence on farming whose off-farm income minus transfer payments is equal to or greater than their net farm income.

Source: Handbook of Selected Agricultural Statistics 1984, Agriculture Canada, Regional Development Branch.

Table 8

Net Income of Farm Tax Filers (On Full-Time Farms*)

By Source Canada & Saskatchewan, 1976-1982
(dollars per taxfiler)

Year	Net Farm Income	Total Off-Farm Income (1)	Total Income (2)	(1) Percent of (2)
Saskatchewan				
1976	10,685	2,420	13,105	18
1977	8,765	2,434	11,999	22
1978	9,453	2,568	12,021	21
1979	11,870	3,168	15,038	21
1980	12,147	3,719	15,866	23
1981	16,330	5,280	21,610	24
1982	13,662	5,265	18,927	28
Canada				
1976	7,665	2,076	9,741	21
1977	6,904	2,160	9,064	24
1978	7,661	2,326	9,987	23
1979	9,016	2,773	11,789	24
1980	9,039	3,211	12,250	26
1981	10,772	4,283	15,055	28
1982	9,863	4,435	14,298	31

*Farm tax filers on full-time farms - Farm tax filers with primary dependence on farming whose net farm income is greater than their net off-farm income minus transfer payments.

Source: Handbook of Selected Agricultural Statistics 1984, Agriculture Canada, Regional Development Branch.

Index of Addresses

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1. Canadian Wheat Board 423 Main Street P.O. Box 816 WINNIPEG, Manitoba R3C 2P5	204-949-6050
2. Farm Credit Corporation Saskatchewan Regional Office 500-2045 Broad Street REGINA, Saskatchewan S4P 2G7	780-5610
3. District Excise Office 4th Floor 1955 Smith Street REGINA, Saskatchewan S4P 2N9	780-6312
4. PFRA Soil and Water Conservation Branch Government of Canada Motherwell Building 1901 Victoria Avenue REGINA, Saskatchewan S4P 0R5	780-5110
5. Farmers Oil Royalty Refund 8th Floor, T.D. Bank Building 1914 Hamilton Street REGINA, Saskatchewan S4P 3N6	787-9469 or 1-800-667-7593
6. Saskatchewan Beef Stabilization Board Saskatchewan Agriculture 3085 Albert Street REGINA, Saskatchewan S4S 0B1	787-5842
7. Saskatchewan Crop Insurance Corporation 2240 Albert Street REGINA, Saskatchewan S4P 2J3	787-5050
8. Agricultural Credit Corporation of Saskatchewan 3085 Albert Street REGINA, Saskatchewan S4S 0B1	787-6460
9. Saskatchewan Government Insurance 2260 - 11th Avenue REGINA, Saskatchewan S4P 0J9	565-1235

10. Saskatchewan Hog Marketing Commission
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11. Farm Purchase Program
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15. Saskatchewan Water Corporation
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    MOOSE JAW, Saskatchewan
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    694-3900

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